

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2287 – HB 2371

April 13, 2018

SUMMARY OF ORIGINAL BILL: Replaces the Secretary of State (SOS) and Department of State with the Commissioner of Tourist Development and Department of Tourist Development (DTD) on the Tennessee Sports Hall of Fame (TSHF) Board of Directors and Executive Committee.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$800/One-Time
\$71,900/Recurring

SUMMARY OF AMENDMENT (017336): Deletes provision in the original bill that authorized the Department of Tourist Development (DTD) to provide administrative assistance to the Tennessee Sports Hall of Fame (TSHF) at the discretion of the Commissioner, and replaces it with a new provision that requires the DTD to provide oversight to the TSHF.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – \$200,000/One-Time

Assumptions for the bill as amended:

- Passage of this legislation will require the SOS to no longer provide administrative support to the TSHF Board.
- The SOS provided the support utilizing existing staff during regular work hours.
- The TSHF Board experienced an operating deficit of \$73,706 in FY15-16, an operating deficit of \$89,477 in FY16-17, and had an operational fund balance of \$160,000 on December 31, 2016.
- Based on information provided by the DTD, the proposed legislation cannot be accommodated within existing resources. The DTD does not have the availability to utilize existing staff for oversight responsibilities that would be necessitated for a successful operation of the TSHF Board.

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- The DTD will contract for additional personnel to assist with oversight responsibilities. The one-time increase in state expenditures associated with this contract is estimated to be \$87,000.
- Marketing and promotions are needed to draw more visitors to the space and ultimately increase visitation and ticket sales. The one-time increase in state expenditures associated with marketing and promotions is estimated to be \$55,000.
- The DTD will need to update facility signage to advertise the existence and location of the exhibit space. The one-time increase in state expenditures associated with signage updates is estimated to be \$10,000.
- Current print collateral for the TSHF is out of date and will need to be replaced with new print media. The one-time increase in state expenditures associated with new marketing print collateral is estimated to be \$33,000.
- The DTD will require fundraising support to assist the TSHF in raising private funds to refresh and modernize exhibits. The one-time increase in state expenditures associated with fundraising support is estimated to be \$15,000.
- The total one-time increase in state expenditures associated with the DTD providing oversight to the TSHF is estimated to be \$200,000 (\$87,000 + \$55,000 + \$10,000 + \$33,000 + \$15,000).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/vlh